



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10

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OFFICE OF
REGIONAL COUNSEL

June 16, 2014

Krista K. McIntyre
Stoel Rives LLP
101 S. Capitol Boulevard, Suite 1900
Boise, ID 83702-7705

Re: Clearwater Paper Corporation; April 8-12, 2014 Source Test Results

Dear Krista:

I am writing in follow-up to the results from Clearwater Paper Corporation's (Clearwater) April 8-12, 2014 source tests, which were conducted in response to EPA's July 19, 2013 Information Request and submitted to EPA by email on June 9, 2014.

In light of the source test results, it is imperative that EPA and Clearwater resume discussions as soon as possible regarding Clearwater's plans for routing the process gas vents containing hazardous air pollutants and total reduced sulfur on Clearwater's two M&D sawdust digesters to a control device meeting the requirements of 40 CFR § 63.443(d). It is clear that Clearwater's current practice of sending process gases to the bottom of the Kone bins is not in compliance with 40 C.F.R. Part 63, Subpart S, and the corresponding Title V conditions.

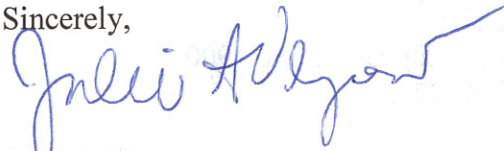
The source test results show that the mass of methanol routed from Clearwater's M&D digesters to the bottom of their respective Kone bins is at least 27 tons per year (and as much as 30 tons per year, depending on the production rate). To demonstrate that its M&D sawdust digesters are operating in compliance with 40 C.F.R. Part 63, Subpart S, Clearwater has sought to rely on the Questions and Answers for the Pulp and Paper NESHAP Second Volume (40 CFR § 63, Subpart S), pages 5-7. However, an equivalent mass rate of methanol under that document would have been a total of 0.16 tons per year directed to the Kone bins. Instead, the methanol being sent to Clearwater's Kone bins is more than 169 times that amount.

EPA has been extremely patient in accommodating Clearwater's requests regarding scheduling the source testing required by EPA's Information Request and we are firm in our belief that the source test results confirm our original allegations. Clearwater has advised EPA that it has scheduled additional methanol testing of the cyclone(s) located above the Kone bins associated with each M&D sawdust digester for the week of June 24th. In light of the April source test results, EPA does not envision any circumstance under which the outcome of the planned June testing will support a demonstration that the M&D sawdust digesters are operating in compliance with Subpart S and the corresponding Title V conditions. Given the likely cost of the upcoming source testing Clearwater has elected to conduct and the results of the previous testing, we wanted to make sure you are aware of our position prior to the tests being conducted.

To continue to make progress toward settlement, we propose to schedule a call or meeting in early July to discuss Clearwater's plans to come into compliance. I will contact you to set up a call or meeting.

Please contact me at (206) 553-1497 or vergeront.julie@epa.gov if you have any questions.

Sincerely,



Julie A. Vergeront
Assistant Regional Counsel

Cc: Lisa Carlson, IDEQ
Elizabeth Loeb, DOJ
Roylene Cunningham, EPA